The current series of WPI has the base year of 1993-94 = 100 which was introduced in April 2000. Earlier, it had base of 1981-82 introduced in July 1989. The current series of consumer Price Index for Industrial Workers with base year 2001=100 had been released with effect from January, 2006. Earlier it had base of 1982 introduced in October 1988. The current series of CPIs for Agricultural and Rural Labour (CPI-AL/RL) have the base year of 1986-87=100 which was introduced in November, 1995. Earlier CPI for Agricultural Labourers had base of 1960-61 introduced since September, 1964. The CPI for Urban Non-Manual Employees (CPI-UNME) of base year of 1984-85 was discontinued with effect from April 2008. However, CSO is releasing linked All-India CPI for urban non manual employees from April, 2008.

The present series of CPIs do not encompass all the segments of the population in the country and as such they do not reflect the true picture of the price behaviour in the country. The Central Statistical Organisation has, therefore, taken an initiative for compilation of new series of CPI for Urban, Rural and combined at State/UT/All India covering the entire population.

Loan agreement with IBRD

*171. SHRIMATI KANIMOZHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government has signed a $2 billion Banking Sector Support loan agreement with the International Bank for Reconstruction and Development (IBRD);

(b) if so, the details thereof;

(c) whether the Indian banks are facing problems of capital inadequacy as of now; and

(d) if not, what necessitated signing of this loan agreement?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) To enable the public sector banks (PSBs) to meet the credit requirements of the economy while maintaining a healthy and comfortable level of regulatory Capital to Risk-weighted Assets Ratio (CRAR), the Government has entered into an agreement with the International Bank for Reconstruction and Development (The World Bank) for a Banking Sector Support Loan of USD 2 billion for providing capital funds to the public sector banks.

(c) and (d) The recent global financial crisis has proved that a resilient banking system is the underlying requirement for regaining and sustaining economic growth momentum. The Indian PSBs are adequately capitalized for current level of business. However, in the backdrop of the recent global financial crisis, there is an added emphasis on maintaining a higher level of CRAR by the banks than the regulatory threshold, to be able to expand their business operations, meet any additional provisioning requirement arising out of slippages and to continue to extend credit to the productive sectors of the economy to sustain and accelerate the economic growth momentum of the country.